

EXECUTION FAILURES ARE TOO COMMON

A lack of planning is not the reason why organisations fail to achieve their strategic intentions. Over the past 20 years, many research organisations including Monitor Deloitte and Conference Board conducted global surveys to determine the priorities of senior executives regarding strategy design and execution. From the reports, it is clear that strategy execution was the highest ranking priority across all studies. Additionally, the studies have identified that 60 to 80 percent of companies fail to achieve their strategic objectives.

It seems that successful execution rather than lack of planning is keeping executives awake at night. If we have the discipline to plan, why are we failing at execution?

In an interesting article from Canada which studied 150 public service organisations, the researchers found a strong positive relationship between strategic planning and implementation which was influenced by leadership but also significantly by employee uncertainty¹. Kaplan & Norton² reported the cumulative results of several studies on strategy execution. Of those organisations that reported not having a formal strategy execution process, 73% reported average or below average performance of their strategies. Whereas, those corporations that stated they had implemented a formal strategy execution process, 70% reported outperforming their peer group. Having a formal strategy execution process made planning execution success two to three times more likely than not having a system.

Discipline in planning execution in the form of a formal process sets organisations up for planning success however what other conditions establish an organisational climate which aids strategy execution?

Michael Beer and colleagues³ argued that a process of strategy execution alone is insufficient to ensure planning implementation success in the

multi-dimensional environment present in contemporary organisations. Alignment is necessary across the conditions of organisational structure, environment, strategy, technology, corporate culture, and leadership to establish a climate for strategic execution success.

You will note that we indicated earlier that employee uncertainty and leadership are major influencers of strategic planning and implementation success. In our previous articles on achieving organisational high performance, we indicated the need for alignment of leaders with authentic, people-centred leadership methods and open, transparent communication are critical to establishing an environment in which high performance can be achieved.

Far too often in our organisational processes we attempt to separate the humanity from the process in an effort to control the outcomes to discover the process does not work. Alignment of the components critical to establishing a high performance climate are precursors to organisational success. Strategic planning execution is no different. In deed, to attempt to separate strategic planning and its execution from a high performance climate is fool hardy and doomed to failure.

Successful organisations recognise that alignment of leadership, people, communication, and culture are crucial to organisational success regardless of the application.

1. Elbanna, S., Andrews, R., & Pollanen, R., 2016. *Strategic planning and implementation success in public services organizations: Evidence from Canada*. *Public Management Review*, Vol. 18, Issue 7, 1017-1042.
2. Kaplan, R.S., & Norton, D.P., 2008. *The Execution Premium: Linking Strategy to Operations for Competitive Advantage*. Harvard Business School Publishing: Boston, USA..
3. Beer, M., Voelpel, S., Leibold, M., & Tekie, E., 2005. *Strategic management as organizational learning: Developing fit and alignment through a disciplined process*. *Long Range Planning*, Vol. 38, Issue. 5, 445-465.